

MINUTES
U. T. Board of Regents
Facilities Planning and Construction Committee
February 3, 2004

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 4:45 p.m. on Tuesday, February 3, 2004, in El Gran Sal3n of the Student Union at The University of Texas at Brownsville, 80 Fort Brown, Brownsville, Texas, with the following members of the committee in attendance:

Regent Huffines, presiding
Vice-Chairman Clements
Vice-Chairman Hunt
Regent Barnhill
Regent Estrada

Also present were Vice-Chairman Krier, Regent Barnhill, Regent Caven, and Counsel and Secretary Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Huffines called the meeting to order.

Mr. Sidney J. Sanders, Assistant Vice Chancellor, Facilities Planning and Construction, presented a PowerPoint on design development plans and economic impact for Items 1 - 3 as attached on Pages 3.1 to 3.20, which is on file in the Office of the Board of Regents.

1. **U. T. Austin: Gregory Gymnasium Aquatics - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approve design development; approve alternative energy economic feasibility; appropriate funds and authorize expenditure; and parity debt**

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Assistant Vice Chancellor, Facilities Planning and Construction

Status: Approved with change in source of funds of \$600,000 from Designated Tuition to Auxiliary Enterprise Balances

Motion: Made, seconded, and carried unanimously

Agenda Item:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Interim Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget for the Gregory Gymnasium Aquatics project at U. T. Austin.

Project Number: 102-010

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: August 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$ 7,300,000	\$ 7,300,000
	Auxiliary Enterprise Balances	\$ 4,460,000	\$ 6,000,000
	Designated Tuition	\$ 600,000	\$ 600,000*
		\$12,360,000	\$13,900,000

[*Note: On February 3, 2004, the Facilities Planning and Construction Committee approved the change in source of funds of \$600,000 from Designated Tuition to Auxiliary Enterprise Balances. See Item 1 on Page 45 of the Minutes, which are on file in the Office of the Board of Regents.]

Debt Service: The \$7,300,000 in Revenue Financing System Bond Proceeds debt will be repaid from net revenues on the project. The annual debt service will be structured proportionately to the projected amount of net revenue available. Debt service coverage on the project is expected to be at least 1.3 times.

- Additional Recommendations:**
- a. increase total project cost;
 - b. approve design development plans;
 - c. approve the evaluation of alternative energy economic feasibility;
 - d. appropriate funds and authorize expenditure of funds; and
 - e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt

Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and

- U. T. Austin, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$7,300,000.

Previous Board Actions:

On November 10, 1999, the project was added to the CIP with a total project cost of \$10,330,000. On August 9, 2001, the project was adopted in the CIP with a total project cost of \$12,360,000.

Project Description:

The Gregory Gymnasium Aquatics project at U. T. Austin will construct an outdoor pool complex and renovate and modernize the existing Gregory Gymnasium pool. This complex will enhance and support the program of the Division of Recreational Sports and the Department of Kinesiology and Health Education. Approval of this item increases the total project cost to fund the project scope, schedule, and budget adjustments.

The outdoor pool components will provide a large lap pool, large and small multipurpose pools and space for instruction, recreation, and student social activities including food concession, equipment storage, control and operation facilities, locker rooms, lifeguard facilities, stage platform, and specific dedicated deck and landscape areas. The indoor renovation includes a wet classroom, equipment storage, lifeguard facilities, support space, and an expansion of the second-level Games Room within Gregory Gymnasium.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

Discussion at Meeting:

Committee Chairman Huffines said the \$600,000 proposed from Designated Tuition for this project had been changed to Auxiliary Enterprise Balances, and he personally feels strongly that tuition should not be used for this project.

Regent Huffines said this project dates back to 1999 when the student body had a referendum to vote a fee on themselves, which passed almost 68% in favor of the

fee. The project has been delayed for almost five years, and he believes it is time to honor what the students asked for and voted for themselves.

2. U. T. Health Science Center - Houston: Expansion of Student Housing - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to reduce total project cost; approve design development; approve alternative energy economic feasibility; appropriate funds and authorize expenditure; and parity debt

Committee Meeting Information

Presenter(s): Mr. Sidney J. Sanders, Assistant Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Hunt, seconded by Vice-Chairman Clements, and carried unanimously

Agenda Item:

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Interim Vice Chancellor for Business Affairs, and President Willerson that the U. T. Board of Regents amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget for the Expansion of Student Housing project at U. T. Health Science Center – Houston.

Project Number: 701-856

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: April 2005

Total Project Cost:

<u>Source</u>	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds	\$28,700,000	\$22,500,000

Debt Service: The \$22,500,000 in Revenue Financing System Bond Proceeds debt will be repaid from net revenues on the project. The annual debt service will be structured proportionately to the projected amount of net revenue available. Debt service coverage on the project is expected to be at least 1.3 times.

Additional Recommendations:

- reduce total project cost;
- approve design development plans;
- approve the evaluation of alternative energy economic feasibility;
- appropriate funds and authorize expenditure of funds; and
- resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that